

CONCLUSION

Conserving Affordable Legacy Housing

Strategies to retrofit our legacy apartment housing are critical in achieving Canada's housing affordability and decarbonization goals.

The backbone of rental housing in cities across Canada is legacy purpose-built rental apartment towers, the bulk of which were constructed in the 1960s and 1970s. These apartments are home to hundreds of thousands of Canadians with lower and moderate incomes. They resulted from targeted public policy, government incentives, and private initiatives that led to a massive investment in rental homes from the 1960s through the mid-1980s. A similar public-private partnership can be established to renew and preserve these homes for current and future generations.

This housing is currently at risk of aging into disrepair and of becoming unaffordable to current and future tenants as housing demand pressures dramatically raise rents. While the supply of new affordable and moderately priced rental housing is crucial in meeting Canada's housing needs, retaining the stock we have is similarly imperative.

A lack of action leading to a sustained net loss of affordable units will destabilize both the housing system and urban economy. It will remove housing options for key workers, lead to homelessness for those of low income, and hinder the ability of newcomers and younger generations to establish themselves, and ultimately invest.

Supporting the current legacy rental stock is significantly more economically efficient than replacing these same units through new affordable housing development. Roughly, a deep retrofit costs \$200,000 per unit compared to \$550,000 per unit for new rental replacement at current construction values. **Preservation Is Supply.**

The Retrofit Advisory Group's Call to Critical Action: A Comprehensive and Combined Retrofit Remortgage Tool and Grant Program

The retrofit of our legacy apartment housing can reposition at-risk housing assets as key housing infrastructure for the 21st century and beyond. Those of modest incomes who call these apartments their homes cannot bear the cost of engaging in holistic retrofits. Alignments and support through government action can unlock investment and make deep retrofit more accessible to all.

Global progress in deep retrofit has relied on an effective, stable, and streamlined government-backed retrofit finance mechanisms to address the capital gap that is today's large barrier to action. The Retrofit Advisory Group identified implementing this tool in the Canadian context as the key action to accelerate deep retrofit that will have an immediate and long-term impact.

The Retrofit Advisory Group recommends a **Comprehensive and Combined Retrofit Remortgage Tool and Grant Program** be created that bundles existing retrofit funding and grant capacity into a single point of entry. It would combine the capacity of CMHC, CIB, FCM, and Commercial Banks to streamline participation and provide sufficient support to close the financial gap in today's market conditions.

The **Comprehensive and Combined Retrofit Remortgage Tool and Grant Program** will be targeted for outcomes and enable focused pilots across Canada that test specific technical, financial and resident-focused milestones. A funded retrofit pipeline will inspire industry innovation, create market confidence for performance regulation, reduce perceptions of risk for owners, and create both bottom-up and top-down demand by showing what good looks like.

Public-private partnerships can leverage private investment to achieve retrofit while maintaining housing affordability, enabling a just transition in the building stock that secures healthy homes for lower-income Canadians while decarbonizing and growing the economy.

Canada has conducted a series of ground-breaking retrofit experiments nationwide over the past decade, demonstrating technical capacity and political leadership for decarbonization and affordable housing preservation. As the housing and climate crisis continues to deepen, there is an urgent need to build on these successes and scale up efforts to achieve Canada's housing and climate goals. The time for action is now.